

State of South Dakota

SEVENTY-EIGHTH SESSION LEGISLATIVE ASSEMBLY, 2003

291I0772

SENATE CONCURRENT RESOLUTION NO. 10

Introduced by: Senators Kloucek, Kooistra, and Nachtigal and Representatives Gassman, Begalka, Gillespie, and Sigdestad

1 A CONCURRENT RESOLUTION, Advocating the reform of certain agricultural checkoff
2 programs.

3 WHEREAS, all mandatory agricultural checkoff programs that require the producer to fund
4 programs and activities were established to benefit the producer; and

5 WHEREAS, under the present arrangement the boards administering the checkoff moneys
6 are not accountable to producers and have frequently operated to promote the interests of the
7 packers and retailers rather than the producers; and

8 WHEREAS, a recent United States Department of Agriculture study of the beef checkoff
9 indicated that from 1988 to 2002, the producers who paid the one dollar checkoff received 29%
10 less of the consumer beef dollar, while retailers received 32% more of the consumer beef dollar
11 and the packers 50% more; and

12 WHEREAS, the producers have no effective input on how or where the checkoff dollars are
13 spent; and

14 WHEREAS, some checkoff boards have worked to effectively suppress the voices of
15 producers; and



1 WHEREAS, the United States Supreme Court in a 6-3 decision struck down a mushroom
2 checkoff as a violation of the mushroom processors' first amendment right to free speech; and

3 WHEREAS, beef, pork, and many other checkoffs are similar in structure to the mushroom
4 checkoff; and

5 WHEREAS, checkoff funds are being used to promote livestock feeding arrangements that
6 are detrimental to independent producers:

7 NOW, THEREFORE, BE IT RESOLVED, by the Senate of the Seventy-eighth Legislature
8 of the State of South Dakota, the House of Representatives concurring therein, that the South
9 Dakota Legislature supports court actions that will determine the constitutionality of checkoff
10 programs; and

11 BE IT FURTHER RESOLVED, that the Legislature advocates replacing these checkoffs
12 with programs that incorporate the following:

13 (1) A democratic system to elect the boards that administer the commodity checkoff
14 dollars;

15 (2) A mechanism to ensure that there is geographical balance among the checkoff boards;

16 (3) A prohibition against bloc voting by any organization on behalf of its members who
17 do not vote;

18 (4) A system that allows producers to direct where their checkoff dollars are spent; and

19 (5) A system that prohibits checkoff funds from being used to promote contract feeding;
20 and

21 BE IT FURTHER RESOLVED, that if the checkoff programs are not administered in a
22 manner consistent with the provisions of this Resolution, the South Dakota Legislature
23 advocates:

24 (1) A provision whereby producers may opt out of the checkoff;

1 (2) A regularly scheduled vote by producers to insure that the checkoff program still
2 meets with the approval of producers; and

3 (3) A system to easily refund checkoff dollars; and

4 BE IT FURTHER RESOLVED, that checkoff program dollars are to be used for research,
5 education, and promotion purposes.